

105TH CONGRESS  
1ST SESSION

# S. 1164

To state a policy of the United States that engages the People's Republic of China in areas of mutual interest, promotes human rights, religious freedom, and democracy in China, and enhances the national security interests of the United States with respect to China, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

SEPTEMBER 11, 1997

Mr. ABRAHAM (for himself, Mr. FEINGOLD, Mr. HUTCHINSON, Mr. COVERDELL, Mr. DEWINE, Mr. ASHCROFT, Mr. BROWNBACK, Mr. MACK, and Mr. HELMS) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

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## A BILL

To state a policy of the United States that engages the People's Republic of China in areas of mutual interest, promotes human rights, religious freedom, and democracy in China, and enhances the national security interests of the United States with respect to China, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

### 3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “China Policy Act of 1997”.

- 1           (b) TABLE OF CONTENTS.—The table of contents of  
2 this Act is as follows:

Sec. 1. Short title; table of contents.  
Sec. 2. Declaration of policy.

#### TITLE I—SANCTIONS

Sec. 101. Denial of entry into United States of certain officials of the People's Republic of China.  
Sec. 102. Limitations on multilateral assistance for the People's Republic of China.  
Sec. 103. Sanctions regarding China North Industries Group, China Poly Group, and certain other entities affiliated with the People's Liberation Army.  
Sec. 104. Consultations with allies regarding sanctions against the People's Republic of China.  
Sec. 105. Termination of certain authorities.

#### TITLE II—HUMAN RIGHTS, RELIGIOUS FREEDOM, AND DEMOCRACY IN CHINA

Sec. 201. Findings on human rights abuses in the People's Republic of China.  
Sec. 202. Findings on religious freedom in the People's Republic of China.  
Sec. 203. Findings on Tibet.  
Sec. 204. Findings on coercive family planning practices in the People's Republic of China.  
Sec. 205. Combating slave labor and “reeducation” centers.  
Sec. 206. International broadcasting to China.  
Sec. 207. National Endowment for Democracy.  
Sec. 208. United States Information Agency student, cultural, and legislative exchange programs.  
Sec. 209. Annual reports on family planning activities in the People's Republic of China by recipients of United States funds.  
Sec. 210. Sense of Congress regarding multilateral efforts to address China's human rights record.  
Sec. 211. Sense of Congress regarding compliance by the People's Republic of China with the Joint Declaration on Hong Kong.

#### TITLE III—NATIONAL SECURITY MATTERS

Sec. 301. Findings on the proliferation of ballistic missiles by the People's Republic of China.  
Sec. 302. Findings on the proliferation of weapons of mass destruction by the People's Republic of China.  
Sec. 303. Findings on the proliferation of destabilizing advanced conventional weapons by the People's Republic of China.  
Sec. 304. Findings on the evasion of United States export control laws by the People's Republic of China.  
Sec. 305. Findings on the inconsistent application of United States export control laws to the People's Republic of China and Hong Kong.  
Sec. 306. Exports of supercomputers to the People's Republic of China.  
Sec. 307. Dual-use exports to Hong Kong.  
Sec. 308. Enforcement of Iran-Iraq Arms Non-Proliferation Act with respect to the People's Republic of China.

- Sec. 309. Transfers of sensitive equipment and technology by the People's Republic of China.
- Sec. 310. Annual reports on activities of the People's Liberation Army.
- Sec. 311. Annual reports on intelligence activities of the People's Republic of China.
- Sec. 312. Study of theater ballistic missile defense system for Taiwan.
- Sec. 313. Sense of Congress regarding United States force levels in Asia.
- Sec. 314. Sense of Congress regarding establishment of commission on security and cooperation in Asia.

#### TITLE IV—TRADE

- Sec. 401. Sense of Congress regarding the accession of Taiwan to the World Trade Organization.

#### TITLE V—HUMAN RIGHTS AND RELIGIOUS FREEDOM WORLDWIDE

- Sec. 501. Training for immigration officers regarding religions persecution.
- Sec. 502. Promotion of religious freedom and human rights worldwide.

#### TITLE VI—OTHER MATTERS

- Sec. 601. Termination of United States assistance for East-West Center.

### 1 **SEC. 2. DECLARATION OF POLICY.**

2       The policy of the United States with respect to the  
3 People's Republic of China is as follows:

4           (1) To encourage freedom and democracy in the  
5 People's Republic of China and to deter the Govern-  
6 ment of the People's Republic of China from engag-  
7 ing in activities that are contrary to the national se-  
8 curity interests of the United States.

9           (2) To encourage the Government of the Peo-  
10 ple's Republic of China to make progress towards  
11 improving overall human rights conditions in China  
12 and Tibet, including the taking of concrete steps to  
13 assure freedom of speech, freedom of religion, and  
14 freedom of association in compliance with inter-  
15 national standards on human rights.

1           (3) To encourage the Government of the Peo-  
2       ple's Republic of China to channel its emerging  
3       power and influence along paths that are conducive  
4       to peace, stability, and development in the Asian Pa-  
5       cific region.

6           (4) To preserve and protect the national secu-  
7       rity interests of the United States and its allies by—

8                (A) deterring the proliferation of weapons  
9                and sensitive equipment and technology by the  
10              Government of the People's Republic of China;  
11              and

12               (B) sanctioning companies affiliated with  
13              the People's Liberation Army that engage in  
14              the proliferation of weapons of mass destruc-  
15              tion, the importation of illegal weapons or fire-  
16              arms into the United States, or espionage in  
17              the United States.

18           (5) To support a strong United States presence  
19       in and commitment to the leadership of the Asian  
20       Pacific region.

21           (6) To support integration of the People's Re-  
22       public of China into the community of nations.

23           (7) To limit the use of United States taxpayer  
24       funds for the subsidization of the Government of the  
25       People's Republic of China through such mecha-

1 nisms as assistance through multilateral develop-  
2 ment banks and other United States Government  
3 programs.

## 4 **TITLE I—SANCTIONS**

### 5 **SEC. 101. DENIAL OF ENTRY INTO UNITED STATES OF CER-** 6 **TAIN OFFICIALS OF THE PEOPLE’S REPUBLIC** 7 **OF CHINA.**

8 (a) DENIAL OF ENTRY.—Except as provided in sub-  
9 section (b), the Secretary of State may not issue any visa  
10 to, and the Attorney General may not admit to the United  
11 States, any of the following officials of the Government  
12 of the People’s Republic of China:

13 (1) High-ranking officials of the People’s Lib-  
14 eration Army, as determined by the Secretary.

15 (2) High-ranking officials of the Public Security  
16 Bureau, as so determined.

17 (3) High-ranking officials of the Religious Af-  
18 fairs Bureau, as so determined.

19 (4) Other high-ranking officials determined by  
20 the Secretary to be involved in the implementation  
21 or enforcement of laws and directives of the People’s  
22 Republic of China which restrict religious freedom.

23 (5) High-ranking officials determined by the  
24 Secretary to be involved in the implementation or

1 enforcement of laws and directives of the People's  
2 Republic of China on family planning.

3 (6) Officials determined by the Secretary to  
4 have been materially involved in ordering or carrying  
5 out the massacre of students in Tiananmen Square  
6 in 1989.

7 (b) WAIVER.—

8 (1) IN GENERAL.—Subject to paragraph (2),  
9 the President may waive the applicability of sub-  
10 section (a) with respect to any official otherwise cov-  
11 ered by that subsection if the President determines  
12 that the waiver with respect to the official is in the  
13 interests of the United States.

14 (2) NOTICE.—

15 (A) REQUIREMENT.—The President may  
16 not exercise the authority provided in para-  
17 graph (1) with respect to an official unless the  
18 President submits to Congress a written notifi-  
19 cation of the exercise of the authority before the  
20 entry of the official into the United States.

21 (B) CONTENTS.—Each notice shall include  
22 a justification of the exercise of the authority,  
23 including—

1 (i) a statement why the exercise of the  
 2 authority is in the interests of the United  
 3 States; and

4 (ii) a statement why such interests su-  
 5 persede the need for the United States to  
 6 deny entry to the official concerned in re-  
 7 sponse to the practices of the Government  
 8 of the People's Republic of China which  
 9 limit the free exercise of religion and other  
 10 human rights.

11 **SEC. 102. LIMITATIONS ON MULTILATERAL ASSISTANCE**  
 12 **FOR THE PEOPLE'S REPUBLIC OF CHINA.**

13 (a) INTERNATIONAL BANK FOR RECONSTRUCTION  
 14 AND DEVELOPMENT.—

15 (1) OPPOSITION TO ASSISTANCE.—

16 (A) OPPOSITION.—Except as provided in  
 17 subparagraph (B), the Secretary of the Treas-  
 18 ury shall instruct the United States Executive  
 19 Director of the International Bank for Recon-  
 20 struction and Development to vote against any  
 21 loan or other utilization of the funds of the  
 22 Bank to or for the People's Republic of China.

23 (B) EXCEPTION.—Subparagraph (A) shall  
 24 not apply to any loan or other utilization of  
 25 funds for purposes of—

- 1 (i) meeting basic human needs; or
- 2 (ii) environmental improvements or
- 3 safeguards.

4 (2) OPPOSITION TO MODIFICATION OF SINGLE  
 5 COUNTRY LOAN LIMIT.—The Secretary shall instruct  
 6 the United States Executive Director of the Inter-  
 7 national Bank for Reconstruction and Development  
 8 to vote against any modification of the limitation on  
 9 the share of the total funds of the Bank that may  
 10 be loaned to a single country.

11 (b) ASIAN DEVELOPMENT BANK.—

12 (1) OPPOSITION TO ASSISTANCE.—Except as  
 13 provided in paragraph (2), the Secretary shall in-  
 14 struct the United States Director of the Asian De-  
 15 velopment Bank to vote against any loan or other  
 16 utilization of the funds of the Bank to or for the  
 17 People's Republic of China.

18 (2) EXCEPTION.—Paragraph (1) shall not  
 19 apply to any loan or other utilization of funds for  
 20 purposes of—

- 21 (A) meeting basic human needs; or
- 22 (B) environmental improvements or safe-
- 23 guards.

24 (c) INTERNATIONAL MONETARY FUND.—



1           (1) OPPOSITION TO ASSISTANCE.—Except as  
 2           provided in paragraph (2), the Secretary shall in-  
 3           struct the United States Executive Director of the  
 4           International Monetary Fund to vote against any  
 5           loan or other utilization of the funds of the Fund to  
 6           or for the People’s Republic of China.

7           (2) EXCEPTION.—Paragraph (1) shall not  
 8           apply to any loan or other utilization of funds for  
 9           purposes of—

10                   (A) meeting basic human needs; or

11                   (B) environmental improvements or safe-  
 12           guards.

13           (d) BASIC HUMAN NEEDS DEFINED.—In this sec-  
 14           tion, the term “basic human needs” refers to human needs  
 15           arising from natural disasters or famine.

16 **SEC. 103. SANCTIONS REGARDING CHINA NORTH INDUS-**  
 17 **TRIES GROUP, CHINA POLY GROUP, AND CER-**  
 18 **TAIN OTHER ENTITIES AFFILIATED WITH**  
 19 **THE PEOPLE’S LIBERATION ARMY.**

20           (a) FINDING; PURPOSE.—

21           (1) FINDING.—Congress finds that, in May  
 22           1996, United States authorities caught representa-  
 23           tives of the People’s Liberation Army enterprise,  
 24           China Poly Group, and the civilian defense indus-  
 25           trial company, China North Industries Group, at-

1       tempting to smuggle 2,000 AK-47s into Oakland,  
2       California, and offering to sell to Federal undercover  
3       agents 300,000 machine guns with silencers, 66-mil-  
4       limeter mortars, hand grenades, and “Red Para-  
5       keet” surface-to-air missiles, which, as stated in the  
6       criminal complaint against one of those representa-  
7       tives, “. . . could take out a 747” aircraft.

8           (2) PURPOSE.—The purpose of this section is  
9       to impose targeted sanctions against entities affili-  
10      ated with the People’s Liberation Army that engage  
11      in the proliferation of weapons of mass destruction,  
12      the importation of illegal weapons or firearms into  
13      the United States, or espionage in the United  
14      States.

15      (b) SANCTIONS AGAINST CERTAIN PLA AFFILI-  
16      ATES.—

17           (1) SANCTIONS.—Except as provided in para-  
18      graph (2) and subject to paragraph (3), the Presi-  
19      dent shall—

20           (A) prohibit the importation into the Unit-  
21      ed States of all products that are produced,  
22      grown, or manufactured by a covered entity, the  
23      parent company of a covered entity, or any af-  
24      filiate, subsidiary, or successor entity of a cov-  
25      ered entity;

1 (B) direct the Secretary of State and the  
2 Attorney General to deny or impose restrictions  
3 on the entry into the United States of any for-  
4 eign national serving as an officer, director, or  
5 employee of a covered entity or other entity de-  
6 scribed in subparagraph (A);

7 (C) prohibit the issuance to a covered en-  
8 tity or other entity described in subparagraph  
9 (A) of licenses in connection with the export of  
10 any item on the United States Munitions List;

11 (D) prohibit the export to a covered entity  
12 or other entity described in subparagraph (A)  
13 of any goods or technology on which export con-  
14 trols are in effect under section 5 or 6 of the  
15 Export Administration Act of 1979;

16 (E) direct the Export-Import Bank of the  
17 United States not to give approval to the issu-  
18 ance of any guarantee, insurance, extension of  
19 credit, or participation in the extension of credit  
20 with respect to a covered entity or other entity  
21 described in subparagraph (A);

22 (F) prohibit United States nationals from  
23 directly or indirectly issuing any guarantee for  
24 any loan or other investment to, issuing any ex-  
25 tension of credit to, or making any investment

1 in a covered entity or other entity described in  
2 subparagraph (A); and

3 (G) prohibit the departments and agencies  
4 of the United States and United States nation-  
5 als from entering into any contract with a cov-  
6 ered entity or other entity described in subpara-  
7 graph (A) for the procurement or other provi-  
8 sion of goods or services from such entity.

9 (2) EXCEPTIONS.—

10 (A) IN GENERAL.—The President shall not  
11 impose sanctions under this subsection—

12 (i) in the case of the procurement of  
13 defense articles or defense services—

14 (I) under contracts or sub-  
15 contracts that are in effect on October  
16 1, 1997 (including the exercise of op-  
17 tions for production quantities to sat-  
18 isfy United States operational military  
19 requirements);

20 (II) if the President determines  
21 that the person or entity to whom the  
22 sanctions would otherwise be applied  
23 is a sole source supplier of essential  
24 defense articles or services and no al-  
25 ternative supplier can be identified; or

1 (III) if the President determines  
2 that such articles or services are es-  
3 sential to the national security; or

4 (ii) in the case of—

5 (I) products or services provided  
6 under contracts or binding agree-  
7 ments (as such terms are defined by  
8 the President in regulations) or joint  
9 ventures entered into before October  
10 1, 1997;

11 (II) spare parts;

12 (III) component parts that are  
13 not finished products but are essential  
14 to United States products or produc-  
15 tion;

16 (IV) routine servicing and main-  
17 tenance of products; or

18 (V) information and technology  
19 products and services.

20 (B) IMMIGRATION RESTRICTIONS.—The  
21 President shall not apply the restrictions de-  
22 scribed in paragraph (1)(B) to a person de-  
23 scribed in that paragraph if the President, after  
24 consultation with the Attorney General, deter-  
25 mines that the presence of the person in the

1 United States is necessary for a Federal or  
2 State judicial proceeding against a covered en-  
3 tity or other entity described in paragraph  
4 (1)(A).

5 (3) TERMINATION.—The sanctions under this  
6 subsection shall terminate as follows:

7 (A) In the case of an entity referred to in  
8 paragraph (1) or (2) of subsection (c), on the  
9 date that is one year after the date of enact-  
10 ment of this Act.

11 (B) In the case of an entity that becomes  
12 a covered entity under paragraph (3) or (4) of  
13 subsection (c) by reason of its identification in  
14 a report under subsection (d), on the date that  
15 is one year after the date on which the entity  
16 is identified in such report.

17 (c) COVERED ENTITIES.—For purposes of subsection  
18 (b), a covered entity is any of the following:

19 (1) China North Industries Group.

20 (2) China Poly Group, also known as  
21 Polytechnologies Incorporated or BAOLI.

22 (3) Any affiliate of the People's Liberation  
23 Army identified in a report of the Director of  
24 Central Intelligence under subsection (d)(1).

1           (4) Any affiliate of the People's Liberation  
2 Army identified in a report of the Director of the  
3 Federal Bureau of Investigation under subsection  
4 (d)(2).

5 (d) REPORTS ON ACTIVITIES OF PLA AFFILIATES.—

6           (1) TRANSFERS OF SENSITIVE ITEMS AND  
7 TECHNOLOGIES.—Not later than 30 days after the  
8 date of enactment of this Act and annually there-  
9 after through 2002, the Director of Central Intel-  
10 ligence shall submit to the appropriate members  
11 Congress a report that identifies each entity owned  
12 wholly or in part by the People's Liberation Army  
13 which, during the 2-year period ending on the date  
14 of the report, transferred to any other entity a con-  
15 trolled item for use in the following:

16           (A) Any item listed in category I or cat-  
17 egory II of the MTCR Annex.

18           (B) Activities to develop, produce, stock-  
19 pile, or deliver chemical or biological weapons.

20           (C) Nuclear activities in countries that do  
21 not maintain full-scope International Atomic  
22 Energy Agency safeguards or equivalent full-  
23 scope safeguards.

24           (2) ILLEGAL ACTIVITIES IN THE UNITED  
25 STATES.—Not later than 30 days after the date of

1 enactment of this Act and annually thereafter  
 2 through 2002, the Director of the Federal Bureau of  
 3 Investigation shall submit to the appropriate mem-  
 4 bers Congress a report that identifies each entity  
 5 owned wholly or in part by the People's Liberation  
 6 Army which, during the 2-year period ending on the  
 7 date of the report, attempted to—

8 (A) illegally import weapons or firearms  
 9 into the United States; or

10 (B) engage in military intelligence collec-  
 11 tion or espionage in the United States under  
 12 the cover of commercial business activity.

13 (3) FORM.—Each report under this subsection  
 14 shall be submitted in classified form.

15 (e) DEFINITIONS.—In this section:

16 (1) AFFILIATE.—The term “affiliate” does not  
 17 include any United States national engaged in a  
 18 business arrangement with a covered entity or other  
 19 entity described in subsection (b)(1)(A).

20 (2) APPROPRIATE MEMBERS OF CONGRESS.—  
 21 The term “appropriate members of congress” means  
 22 the following:

23 (A) The Majority leader and Minority lead-  
 24 er of the Senate.



1 (B) The chairmen and ranking members of  
2 the Committee on Foreign Relations and the  
3 Committee on Armed Services of the Senate.

4 (C) The Speaker and Minority leader of  
5 the House of Representatives.

6 (D) The chairmen and ranking members of  
7 the Committee on International Relations and  
8 the Committee on National Security of the  
9 House of Representatives.

10 (3) COMPONENT PART.—The term “component  
11 part” means any article that is not usable for its in-  
12 tended function without being embedded or inte-  
13 grated into any other product and, if used in the  
14 production of a finished product, would be substan-  
15 tially transformed in that process.

16 (4) CONTROLLED ITEM.—The term “controlled  
17 item” means the following:

18 (A) Any item listed in the MTCR Annex.

19 (B) Any item listed for control by the Aus-  
20 tralia Group.

21 (C) Any item relevant to the nuclear fuel  
22 cycle of nuclear explosive applications that are  
23 listed for control by the Nuclear Suppliers  
24 Group.

1           (5) FINISHED PRODUCT.—The term “finished  
 2       product” means any article that is usable for its in-  
 3       tended function without being embedded in or inte-  
 4       grated into any other product, but does not include  
 5       an article produced by a person or entity other than  
 6       a covered entity or other entity described in sub-  
 7       section (b)(1)(A) that contains parts or components  
 8       of such an entity if the parts or components have  
 9       been substantially transformed during production of  
 10      the finished product.

11          (6) INVESTMENT.—The term “investment” in-  
 12      cludes any contribution or commitment of funds,  
 13      commodities, services, patents, processes, or tech-  
 14      niques, in the form of—

15                (A) a loan or loans;

16                (B) the purchase of a share of ownership;

17                (C) participation in royalties, earnings, or  
 18      profits; and

19                (D) the furnishing of commodities or serv-  
 20      ices pursuant to a lease or other contract,

21      but does not include routine maintenance of prop-  
 22      erty.

23          (7) MTCR ANNEX.—The term “MTCR Annex”  
 24      has the meaning given that term in section 74(4) of  
 25      the Arms Export Control Act (22 U.S.C. 2797c(4)).

1 (8) UNITED STATES NATIONAL.—

2 (A) IN GENERAL.—The term “United  
3 States national” means—

4 (i) any United States citizen; and

5 (ii) any corporation, partnership, or  
6 other organization created under the laws  
7 of the United States, any State, the Dis-  
8 trict of Columbia, or any territory or pos-  
9 session of the United States.

10 (B) EXCEPTION.—The term “United  
11 States national” does not include a subsidiary  
12 or affiliate of corporation, partnership, or orga-  
13 nization that is a United States national if the  
14 subsidiary or affiliate is located outside the  
15 United States.

16 **SEC. 104. CONSULTATIONS WITH ALLIES REGARDING SANC-**  
17 **TIONS AGAINST THE PEOPLE’S REPUBLIC OF**  
18 **CHINA.**

19 (a) SENSE OF CONGRESS.—It is the sense of Con-  
20 gress that the President should begin consultations with  
21 the major allies and other trading partners of the United  
22 States in order to encourage such allies and trading part-  
23 ners to adopt sanctions against the People’s Republic of  
24 China that are similar to the sanctions imposed on the  
25 People’s Republic of China by section 102.

1 (b) REPORT.—Not later than 45 days after the com-  
 2 pletion of the first Group of Seven summit meeting after  
 3 the date of enactment of this Act, the President shall sub-  
 4 mit to Congress a report on the results, if any, of consulta-  
 5 tions referred to in subsection (a).

6 **SEC. 105. TERMINATION OF CERTAIN AUTHORITIES.**

7 (a) TERMINATION DATE.—Sections 101 and 102  
 8 shall cease to apply at the end of the five-year period be-  
 9 ginning on the date of enactment of this Act.

10 (b) SENSE OF CONGRESS ON REVIEW.—It is the  
 11 sense of Congress that Congress should review the desir-  
 12 ability of terminating the sanctions in this title before the  
 13 date on which the sanctions would otherwise terminate  
 14 under this title upon the occurrence of any of the following  
 15 events:

16 (1) The admission of the People's Republic of  
 17 China into the World Trade Organization on com-  
 18 mercially viable terms.

19 (2) A determination by the President that the  
 20 Government of the People's Republic of China is im-  
 21 plementing fully all applicable international agree-  
 22 ments relating to the proliferation of arms.

23 (3) A determination by the President that the  
 24 Government of the People's Republic of China is ac-

1       tively and effectively combatting all forms of reli-  
2       gious persecution in China.

3           (4) A determination by the President that the  
4       Government of the People's Republic of China is re-  
5       evaluating in a meaningful manner its actions re-  
6       garding the massacre of students in Tiananmen  
7       Square in 1989.

8           (5) The publication by the Government of the  
9       People's Republic of China of a report on the na-  
10      tional security strategy of that government which in-  
11      cludes a comprehensive description and discussion of  
12      the elements of that strategy similar to the descrip-  
13      tion and discussion of the national security strategy  
14      of the United States in the annual report required  
15      by section 108 of the National Security Act of 1947  
16      (50 U.S.C. 404a).

17          (6) A determination by the President that the  
18      Government of the People's Republic of China has  
19      taken meaningful actions toward improving overall  
20      human rights conditions in China and Tibet, includ-  
21      ing the release of political prisoners, improving pris-  
22      on conditions, providing prisoners with adequate  
23      medical care, and full compliance with any inter-  
24      national human rights accords to which that govern-  
25      ment is a signatory.

1 **TITLE II—HUMAN RIGHTS, RELI-**  
2 **GIOUS FREEDOM, AND DE-**  
3 **MOCRACY IN CHINA**

4 **SEC. 201. FINDINGS ON HUMAN RIGHTS ABUSES IN THE**  
5 **PEOPLE’S REPUBLIC OF CHINA.**

6 Congress makes the following findings regarding  
7 human rights abuses in the People’s Republic of China:

8 (1) Congress concurs in the following conclu-  
9 sions of the Department of State regarding human  
10 rights in the People’s Republic of China in 1996:

11 (A) The People’s Republic of China is “an  
12 authoritarian state” in which “citizens lack the  
13 freedom to peacefully express opposition to the  
14 party-led political system and the right to  
15 change their national leaders or form of govern-  
16 ment”.

17 (B) The Government of the People’s Re-  
18 public of China has “continued to commit wide-  
19 spread and well documented human rights  
20 abuses, in violation of internationally accepted  
21 norms, stemming from the authorities’ intoler-  
22 ance of dissent, fear of unrest, and the absence  
23 or inadequacy of laws protecting basic free-  
24 doms”.

1 (C) “Abuses include torture and mistreat-  
 2 ment of prisoners, forced confessions, and arbi-  
 3 trary and incommunicado detention”.

4 (D) “Prison conditions remained harsh  
 5 [and] [t]he Government continued severe re-  
 6 strictions on freedom of speech, the press, as-  
 7 sembly, association, religion, privacy, and work-  
 8 er rights”.

9 (E) “Although the Government denies that  
 10 it holds political prisoners, the number of per-  
 11 sons detained or serving sentences for  
 12 ‘counterrevolutionary crimes’ or ‘crimes against  
 13 the state’ and for peaceful political or religious  
 14 activities are believed to number in the thou-  
 15 sands”.

16 (F) “Non-approved religious groups, in-  
 17 cluding Protestant and Catholic  
 18 groups . . . experienced intensified repression”.

19 (G) “Serious human rights abuses persist  
 20 in minority areas, including Tibet, Xinjiang,  
 21 and Inner Mongolia [, and] [c]ontrols on reli-  
 22 gion and other fundamental freedoms in these  
 23 areas have also intensified”.

24 (H) “Overall in 1996, the authorities  
 25 stepped up efforts to cut off expressions of pro-

1           test or criticism. All public dissent against the  
2           party and government was effectively silenced  
3           by intimidation, exile, the imposition of prison  
4           terms, administrative detention, or house ar-  
5           rest. No dissidents were known to be active at  
6           year's end.'".

7           (2) People's Republic of China authorities con-  
8           tinue to hold Wei Jingsheng in prison for his  
9           prodemocracy beliefs, and he is suffering in prison  
10          from a lack of medical attention and beatings by fel-  
11          low prisoners.

12          (3) On October 30, 1996, a People's Republic  
13          of China court sentenced Wang Dan to 11 years in  
14          prison primarily for articles published outside the  
15          People's Republic of China, and People's Republic of  
16          China authorities are not providing him with ade-  
17          quate medical care.

18          (4) In addition to Wei Jingsheng and Wang  
19          Dan, hundreds, if not thousands, of other political,  
20          religious, and labor dissidents are imprisoned in  
21          China for peacefully expressing their beliefs and ex-  
22          ercising their internationally recognized rights of  
23          free association and expression.

24          (5) Labor activist Liu Nianchun, severely ill in  
25          a labor camp, has not only been denied medical



1 treatment but has been tortured with electric batons  
2 and has had his 3 year reeducation-through-labor  
3 sentence in prison arbitrarily extended by 216 days.

4 (6) Li Hai was charged with prying into and  
5 gathering state secrets and subsequently sentenced  
6 to a 9-year term in prison on December 18, 1996,  
7 for going door-to-door to collect the names, ages,  
8 family situations, alleged crimes, lengths of prison  
9 sentences, locations of imprisonment, and treatment  
10 while imprisoned of people sentenced to prison for  
11 their activities during the 1989 Tiananmen Square  
12 protests.

13 (7) Gao Yu, serving a 6-year term in prison on  
14 charges of “leaking state secrets” despite the fact  
15 that the information in question was already com-  
16 mon knowledge, has been denied medical parole and  
17 adequate medical care despite life threatening illness  
18 and was vilified by People’s Republic of China au-  
19 thorities after she was awarded the UNESCO  
20 Guillemo Cano World Press Freedom Prize.

21 (8) People’s Republic of China companies still  
22 export prison labor products to the United States.  
23 Since 1991, the United States Customs Service has  
24 issued 27 detention orders banning the importation  
25 of goods suspected to be products of prison labor in

1 China, including hand tools, artificial flowers,  
2 Christmas tree lights, and diesel engines.

3 (9) The People's Republic of China has not  
4 fully complied with the 1992 Memorandum of Un-  
5 derstanding on Prison Labor, and People's Republic  
6 of China authorities often wait several years before  
7 granting requests by United States Customs Service  
8 officials to inspect prison facilities in China. In  
9 1996, such authorities granted just one of eight out-  
10 standing requests by such officials to inspect prison  
11 facilities in China.

12 (10) Under current law, People's Republic of  
13 China authorities may administratively sentence  
14 China citizens to 3 years of labor reform without  
15 trial.

16 (11) The People's Republic of China restricts  
17 the access of its citizens to the Internet and blocks  
18 web sites operated by foreign news organizations and  
19 human rights organizations.

20 (12) The Government of the People's Republic  
21 of China prohibits independent labor unions, and  
22 workers who attempt to form unions without state  
23 approval are given severe prison sentences as shown  
24 in the treatment of Zhang Jingsheng, a labor leader  
25 in Hunan province who was arrested following the

1       1989 Tiananmen Square Massacre and sentenced to  
2       13 years in prison for organizing workers.

3   **SEC. 202. FINDINGS ON RELIGIOUS FREEDOM IN THE PEO-**  
4                   **PLE'S REPUBLIC OF CHINA.**

5       Congress makes the following findings regarding reli-  
6       gious freedom in the People's Republic of China:

7           (1) The Government of the People's Republic of  
8       China restricts the ability of religious adherents, in-  
9       cluding Christians, Buddhists, Muslims, and others,  
10      to practice outside of state-approved religious orga-  
11      nizations, and detains worshipers and clergy who  
12      participate in religious services conducted outside  
13      state-approved religious organizations, as well as  
14      those who refuse to register with the authorities as  
15      required.

16          (2) Bishop Zeng Jingmu, 76 years old, detained  
17      for the third time in 7 months and in poor health  
18      from pneumonia, is serving a reeducation through  
19      labor term for organizing religious assemblies and  
20      masses not sanctioned by the official Chinese Catho-  
21      lic Church.

22          (3) On January 31, 1994, Premier Li Peng  
23      signed decrees number 144 and 145 which restrict  
24      worship, religious education, distribution of Bibles

1 and others religious literature, and contact with for-  
2 eign coreligionists.

3 (4) The Government of the People's Republic of  
4 China has created official religious organizations  
5 that control all religious worship, activity, and asso-  
6 ciation in China and Tibet and supplant the inde-  
7 pendent authority of the Roman Catholic Church,  
8 independent Protestant churches, and independent  
9 Buddhist, Taoist, and Islamic associations.

10 (5) In July 1995, Ye Xiaowen, a rigid com-  
11 munist hostile to religion, was appointed to head the  
12 Bureau of Religious Affairs, a government agency of  
13 the People's Republic of China that is controlled by  
14 the United Front Work Department of the Chinese  
15 Communist Party. The Bureau of Religious Affairs  
16 has administrative control over all religious worship  
17 and activity in China and Tibet through a system of  
18 granting or denying rights through an official reg-  
19 istration system. Those who fail to or are not al-  
20 lowed to register are subject to punitive measures.

21 (6) Unofficial Christian and Catholic commu-  
22 nities were targeted by the Government of the Peo-  
23 ple's Republic of China during 1996. A renewed  
24 campaign aimed at forcing all churches to register  
25 or face dissolution resulted in beating and harass-

1       ment of congregants, closure of churches, and nu-  
2       merous arrests, fines, and sentences. In Shanghai,  
3       for example, more than 300 house churches or meet-  
4       ing points were closed down by the security authori-  
5       ties in April alone.

6   **SEC. 203. FINDINGS ON TIBET.**

7       Congress makes the following findings regarding  
8   Tibet:

9           (1) The Department of State China Country  
10       Report on Human Rights Practices for 1996 states:  
11       “Chinese government authorities continued to com-  
12       mit widespread human rights abuses in Tibet, in-  
13       cluding instances of death in detention, torture, ar-  
14       bitrary arrest, detention without public trial, long  
15       detention of Tibetan nationalists for peacefully ex-  
16       pressing their religious and political views, and in-  
17       tensified controls on religion and on freedom of  
18       speech and the press, particularly for ethnic Tibet-  
19       ans.”.

20           (2) The report also cites three instances in  
21       which Tibetan Buddhist monks died in prison in the  
22       People’s Republic of China in 1996.

23           (3) Many victims of the brutality committed by  
24       the People’s Armed Police and the Public Security

1 Bureau of the People's Republic of China have been  
2 young Tibetan Buddhist nuns and monks.

3 (4) Between June 1994 and May 1995, three  
4 Tibetan nuns—15-year-old Sherab Ngawang, 24-  
5 year-old Gyaltsen Kelsang, and 20-year-old  
6 Phuntsok Yangkyi—died as a result of torture in  
7 prison in Tibet.

8 (5) On March 11, 1997, the Senate adopted a  
9 resolution calling for the release by the Government  
10 of the People's Republic of China of Tibetan  
11 ethnomusicologist and Fulbright Scholar Ngawang  
12 Choephel, who was sentenced to 18 years in prison  
13 in the People's Republic of China in December  
14 1996, and of other Tibetans who are prisoners in  
15 the People's Republic of China for reasons of con-  
16 science.

17 (6) In May 1995, authorities of the Government  
18 of the People's Republic of China detained Gedhun  
19 Choekyi Nyima, then 6 years old, and his parents,  
20 just days after the boy was recognized by the Dalai  
21 Lama as the 11th Panchen Lama, and authorities of  
22 that government continue to hold him and his fam-  
23 ily.

24 (7) In May 1997, the Government of the Peo-  
25 ple's Republic of China announced the sentencing of

1 Chadrel Rinpoche, the head of the search committee  
 2 for the 11th Panchen Lama, to 6 years in prison.

3 (8) In April 1996, authorities of the Govern-  
 4 ment of the People's Republic of China banned the  
 5 display of photographs of the Dalai Lama, even in  
 6 private homes, and the decision led to demonstra-  
 7 tions in Ganden monastery during which 90 monks  
 8 were arrested and 1 monk was shot to death by se-  
 9 curity forces of that government.

10 **SEC. 204. FINDINGS ON COERCIVE FAMILY PLANNING**  
 11 **PRACTICES IN THE PEOPLE'S REPUBLIC OF**  
 12 **CHINA.**

13 Congress makes the following findings regarding fam-  
 14 ily planning practices in the People's Republic of China:

15 (1) For more than 15 years there have been  
 16 frequent and credible reports of forced abortion and  
 17 forced sterilization in connection with the coercive  
 18 population control practices of the People's Republic  
 19 of China.

20 (2) Forced abortion was rightly denounced as a  
 21 crime against humanity by the Nuremberg War  
 22 Crimes Tribunal.

23 (3) Although it is the stated position of the po-  
 24 litburo of the Chinese Communist Party that forced  
 25 abortion and forced sterilization have no role in the

1 population control program of the Government of  
2 the People's Republic of China, the policy of that  
3 government seems to encourage both forced abortion  
4 and forced sterilization through a combination of  
5 strictly enforced birth quotas and impunity for local  
6 population control officials who engage in coercion.  
7 Officials acknowledge that there have been instances  
8 of forced abortions and sterilization, yet there is no  
9 evidence that the perpetrators of such acts have  
10 been punished.

11 (4) The People's Republic of China population  
12 control officials, in cooperation with employers and  
13 works unit officials, monitor women's menstrual cy-  
14 cles and subject women who conceive without gov-  
15 ernment authorization to extreme psychological pres-  
16 sure, to harsh economic sanctions (including  
17 unpayable fines and loss of employment), and to  
18 physical force.

19 (5) Official sanctions for giving birth to unau-  
20 thorized children include fines in amounts several  
21 times larger than the per capita annual incomes of  
22 residents of the People's Republic of China. In  
23 Fujian, for example, the average fine is estimated to  
24 be twice a family's gross annual income. Families



1       who cannot pay the fine have had their homes and  
2       personal property confiscated and destroyed.

3           (6) Especially harsh punishments have been in-  
4       flicted on those whose resistance to such policies is  
5       motivated by religion. For example, according to a  
6       1995 Amnesty International report, the Catholic in-  
7       habitants of two villages in Hebei Province were sub-  
8       jected to population control under the slogan “better  
9       to have more graves than one more child”. Enforce-  
10      ment measures included torture, sexual abuse, and  
11      the detention of resisters’ relatives as hostages.

12           (7) Forced abortions in the People’s Republic of  
13      China often take place in the very late stages of  
14      pregnancy, or even during the process of birth itself.

15   **SEC. 205. COMBATING SLAVE LABOR AND “REEDUCATION”**  
16                           **CENTERS.**

17           (a) AUTHORIZATIONS FOR APPROPRIATIONS FOR AD-  
18      DITIONAL MONITORING OF EXPORTATION OF SLAVE  
19      LABOR PRODUCTS.—There are authorized to be appro-  
20      priated \$2,000,000 for fiscal year 1998 and \$2,000,000  
21      for fiscal year 1999 for monitoring by the United States  
22      Customs Service and the Department of State of the ex-  
23      port by the People’s Republic of China to the United  
24      States of products which may be made with slave labor  
25      in violation of section 307 of the Tariff Act of 1930 (19

1 U.S.C. 1307) or section 1761 of title 18, United States  
2 Code.

3 (b) REPORTS ON EXPORTATION OF PRODUCTS MADE  
4 WITH SLAVE LABOR.—

5 (1) REPORTS.—

6 (A) IN GENERAL.—Not later than 1 year  
7 after the date of enactment of this Act and an-  
8 nually thereafter, the Commissioner of Customs  
9 and the Secretary of State shall each submit to  
10 the Members of Congress referred to in sub-  
11 paragraph (B) a report on the manufacturing  
12 and exportation of products made with slave  
13 labor in the People’s Republic of China during  
14 the one-year period ending on the date of the  
15 report. Each report shall be submitted in un-  
16 classified form, but may include a classified  
17 annex.

18 (B) MEMBERS OF CONGRESS.—Reports  
19 under subparagraph (A) shall be submitted to  
20 the following Members of Congress:

21 (i) The Majority leader and Minority  
22 leader of the Senate.

23 (ii) The chairman and ranking mem-  
24 ber of the Committee on Foreign Relations  
25 of the Senate.

1 (iii) The Speaker and Minority leader  
2 of the House of Representatives.

3 (iv) The chairman and ranking mem-  
4 ber of the Committee on International Re-  
5 lations of the House of Representatives.

6 (2) CONTENTS OF REPORTS.—Each report  
7 under paragraph (1) shall include information con-  
8 cerning the following:

9 (A) The extent of the use of slave labor in  
10 manufacturing products for exportation by the  
11 People's Republic of China, as well as the vol-  
12 ume of exports of such slave labor products by  
13 that country.

14 (B) The progress of the United States  
15 Government—

16 (i) in identifying products made with  
17 slave labor in the People's Republic of  
18 China that are destined for the United  
19 States market in violation of section 307 of  
20 the Tariff Act of 1930 or section 1761 of  
21 title 18, United States Code; and

22 (ii) in stemming the importation of  
23 such products.

24 (c) RENEGOTIATION OF MEMORANDUM OF UNDER-  
25 STANDING ON PRISON LABOR WITH THE PEOPLE'S RE-

1 PUBLIC OF CHINA.—It is the sense of Congress that, since  
2 the People’s Republic of China has substantially frus-  
3 trated the purposes of the 1992 Memorandum of Under-  
4 standing with the United States on Prison Labor, the  
5 President should immediately commence negotiations to  
6 replace the memorandum of understanding with one pro-  
7 viding for effective monitoring of forced labor in the Peo-  
8 ple’s Republic of China, without restrictions on which pris-  
9 on labor camps international monitors may visit.

10 **SEC. 206. INTERNATIONAL BROADCASTING TO CHINA.**

11 (a) AUTHORIZATION OF APPROPRIATIONS.—In addi-  
12 tion to such sums as are otherwise authorized to be appro-  
13 priated for “International Broadcasting Activities” for fis-  
14 cal year 1998, there is authorized to be appropriated for  
15 “International Broadcasting Activities” for that fiscal  
16 year \$5,000,000, which shall be available only for broad-  
17 casting by Radio Free Asia and the Voice of America to  
18 the People’s Republic of China.

19 (b) SENSE OF CONGRESS.—It is the sense of Con-  
20 gress that United States international broadcasting  
21 through Radio Free Asia and Voice of America should be  
22 increased to provide continuous 24-hour broadcasting in  
23 Chinese and Tibetan dialects which include Mandarin Chi-  
24 nese, Tibetan, and at least one other dialect.

1 **SEC. 207. NATIONAL ENDOWMENT FOR DEMOCRACY.**

2 In addition to such sums as are otherwise authorized  
 3 to be appropriated for fiscal year 1998 for grants to the  
 4 National Endowment for Democracy, there is authorized  
 5 to be appropriated for that fiscal year \$2,000,000 for  
 6 grants to the Endowment which shall be available only for  
 7 purposes of programs relating to the People's Republic of  
 8 China.

9 **SEC. 208. UNITED STATES INFORMATION AGENCY STU-**  
 10 **DENT, CULTURAL, AND LEGISLATIVE EX-**  
 11 **CHANGE PROGRAMS.**

12 In addition to such sums as are otherwise authorized  
 13 to be appropriated to the United States Information Agen-  
 14 cy for fiscal year 1998, there is authorized to be appro-  
 15 priated for the Agency for that fiscal year \$2,000,000,  
 16 which shall be available only for the purposes of student,  
 17 cultural, and legislative exchange activities in or with the  
 18 People's Republic of China.

19 **SEC. 209. ANNUAL REPORTS ON FAMILY PLANNING ACTIVI-**  
 20 **TIES IN THE PEOPLE'S REPUBLIC OF CHINA**  
 21 **BY RECIPIENTS OF UNITED STATES FUNDS.**

22 (a) ANNUAL REPORTS.—

23 (1) REQUIREMENT.—Not later than January  
 24 15 each year, the Secretary of State shall submit to  
 25 Congress a report that describes the family planning  
 26 activities in the People's Republic of China during

1 the preceding year of each covered family planning  
 2 organization that carried out such activities in the  
 3 People's Republic of China during that year.

4 (2) ADDITIONAL INFORMATION.—Each report  
 5 under paragraph (1) shall include the filing submit-  
 6 ted to the Secretary for purposes of such report by  
 7 each covered family planning organization whose ac-  
 8 tivities are covered by such report.

9 (b) COVERED FAMILY PLANNING ORGANIZATION DE-  
 10 FINED.—In this section, the term “covered family plan-  
 11 ning organization” means any for-profit or non-profit en-  
 12 tity that receives United States funds to conduct family  
 13 planning activities abroad.

14 **SEC. 210. SENSE OF CONGRESS REGARDING MULTILAT-**  
 15 **ERAL EFFORTS TO ADDRESS CHINA'S HUMAN**  
 16 **RIGHTS RECORD.**

17 (a) FINDINGS.—Congress makes the following find-  
 18 ings:

19 (1) On April 15, 1997, members of the United  
 20 Nations Human Rights Commission voted 27–17 to  
 21 block a resolution, sponsored by Denmark, critical of  
 22 the human rights record of the Government of the  
 23 People's Republic of China.

24 (2) The United States Government failed to  
 25 vigorously lobby other nations to support the resolu-

1       tion in a timely and effective manner, and France,  
 2       Canada, Germany, Italy, Spain, Australia, and  
 3       Japan did not cosponsor the resolution.

4           (3) In response to support for the resolution by  
 5       Denmark and the Netherlands, the Government of  
 6       the People's Republic of China has adopted punitive  
 7       measures against Denmark and Netherlands busi-  
 8       nesses—including the denial of contracts to Nether-  
 9       lands companies and undue delays in authorizing ex-  
 10      pansion plans by the Denmark shipping line  
 11      Maersk—thereby linking human rights and trade.

12      (b) SENSE OF CONGRESS.—It is the sense of Con-  
 13      gress that—

14           (1) the United States Government should great-  
 15      ly increase efforts in the United Nations Human  
 16      Rights Commission and other international fora to  
 17      draw attention to and condemn the gross violations  
 18      of international standards on human rights by the  
 19      Government of the People's Republic of China;

20           (2) the President should vigorously lobby other  
 21      countries for passage of future Commission resolu-  
 22      tions on the human rights record of the Government  
 23      of the People's Republic of China; and

1           (3) such lobbying should begin not later than 6  
 2           months before the commencement of the next annual  
 3           meeting of the Commission.

4 **SEC. 211. SENSE OF CONGRESS REGARDING COMPLIANCE**  
 5                           **BY THE PEOPLE’S REPUBLIC OF CHINA WITH**  
 6                           **THE JOINT DECLARATION ON HONG KONG.**

7           (a) FINDINGS.—Congress makes the following find-  
 8           ings:

9                   (1) The People’s Republic of China resumed  
 10           sovereignty over Hong Kong on July 1, 1997.

11                   (2) In the Joint Declaration, a legally binding  
 12           document in all its parts and the highest form of  
 13           commitment between sovereign states, the People’s  
 14           Republic of China pledged that after its resumption  
 15           of sovereignty over Hong Kong “[t]he current social  
 16           and economic systems in Hong Kong will remain un-  
 17           changed, and so will the life-style. Rights and free-  
 18           doms, including those of the person, of speech, of  
 19           the press, of association, of travel, of movement, of  
 20           correspondence, of strike, of choice of occupation, of  
 21           academic research and religious belief will be en-  
 22           sured by law in the Hong Kong Special Administra-  
 23           tive Region”.

24                   (3) The People’s Republic of China further  
 25           pledged in the Joint Declaration that the policies of



1 the "... Joint Declaration will be stipulated in a  
 2 Basic Law of the Hong Kong Special Administrative  
 3 Region of the People's Republic of China, by the  
 4 National People's Congress of the People's Republic  
 5 of China, and they will remain unchanged for 50  
 6 years".

7 (4) The Basic Law prescribes the systems to be  
 8 practiced in the Hong Kong Special Administrative  
 9 Region after the resumption of sovereignty over  
 10 Hong Kong by the People's Republic of China.

11 (5) According to Article 2 of the Basic Law:  
 12 "The National People's Congress authorizes the  
 13 Hong Kong Special Administrative Region to exer-  
 14 cise a high degree of autonomy and enjoy executive,  
 15 legislative and independent judicial power, including  
 16 that of final adjudication".

17 (6) According to Article 5 of the Basic Law:  
 18 "The socialist system and policies (of the People's  
 19 Republic of China) shall not be practiced in the  
 20 Hong Kong Special Administrative Region, and the  
 21 previous capitalist system and way of life shall re-  
 22 main unchanged for 50 years".

23 (7) According to Article 27 of the Basic Law:  
 24 "Hong Kong residents shall have freedom of speech,  
 25 of the press and publication; freedom of association,

1 of assembly, of procession and of demonstration; and  
 2 the right and freedom to form and join trade unions,  
 3 and to strike”.

4 (8) According to Article 32 of the Basic Law:  
 5 “Hong Kong residents shall have freedom of reli-  
 6 gious belief and freedom to preach and to conduct  
 7 and participate in religious activities in public”.

8 (9) According to Article 34 of the Basic Law:  
 9 “Hong Kong residents shall have freedom to engage  
 10 in academic research, literary and artistic creation,  
 11 and other cultural activities”.

12 (10) According to Article 39 of the Basic Law:  
 13 “The provisions of the International Covenant on  
 14 Civil and Political Rights, the International Cov-  
 15 enant on Economic, Social and Cultural Rights, and  
 16 international labour conventions as applied to Hong  
 17 Kong shall remain in force and shall be implemented  
 18 through the laws of the Hong Kong Special Admin-  
 19 istrative Region”.

20 (11) President Jiang Zemin of the People’s Re-  
 21 public of China, in his statement of July 1, 1997,  
 22 at the ceremony in Hong Kong marking the estab-  
 23 lishment of the Hong Kong Special Administrative  
 24 Region, said that “... Hong Kong will enjoy a high  
 25 degree of autonomy as provided for by the Basic

1 Law, which includes the executive, legislative and  
2 independent judicial power, including that of final  
3 adjudication”.

4 (12) President Jiang further said that the  
5 Hong Kong Special Administrative Region has the  
6 “ultimate aim of electing the Chief Executive and  
7 the Legislative Council by universal suffrage”.

8 (13) President Jiang further said that “[n]o  
9 central department or locality (of the People’s Re-  
10 public of China) may or will be allowed to interfere  
11 in the affairs which, under the Basic Law, should be  
12 administered by the Hong Kong Special Administra-  
13 tive Region on its own”.

14 (14) President Jiang further said that “the pro-  
15 visions of the International Covenant on Civil and  
16 Political Rights, the International Covenant on Eco-  
17 nomic, Social and Cultural Rights, and international  
18 covenants as applied to Hong Kong shall remain in  
19 force to be implemented through the laws of Hong  
20 Kong’s regional legislation”.

21 (15) President Jiang further said that adher-  
22 ence to these principles “serves Hong Kong, serves  
23 the (People’s Republic of China) and serves the en-  
24 tire nation as well. Therefore there is no reason  
25 whatsoever to change them. Here I want to reaffirm

1       that ‘one country, two systems, Hong Kong admin-  
 2       istering Hong Kong’ and ‘a high degree of auton-  
 3       omy’ will remain unchanged for 50 years”.

4           (16) President Jiang, in another statement of  
 5       July 1, 1997, at a rally in Beijing marking the es-  
 6       tablishment of the Hong Kong Special Administra-  
 7       tive Region, said that the People’s Republic of China  
 8       “will unswervingly carry out the principles of ‘one  
 9       country, two systems’, ‘Hong Kong people admin-  
 10      istering Hong Kong’ and ‘high degree of autonomy’,  
 11      and make sure that the previous socio-economic sys-  
 12      tem and way of life of Hong Kong remain un-  
 13      changed and that laws previously in force will re-  
 14      main basically unchanged. We will firmly support  
 15      the Hong Kong SAR in its exercise of the functions  
 16      and powers bestowed on it by the Basic Law and the  
 17      Hong Kong SAR Government in its administration  
 18      in accordance with law.”.

19       (b) SENSE OF CONGRESS.—It is the sense of Con-  
 20      gress that—

21           (1) the statements of President Jiang Zemin of  
 22       the People’s Republic of China constitute a welcome  
 23       reaffirmation of the obligations of the People’s Re-  
 24       public of China under the Joint Declaration to en-  
 25       sure that Hong Kong remains autonomous, the

1 human rights of the people of Hong Kong remain  
 2 protected, and the government of the Hong Kong  
 3 Special Administrative Region is elected democratically;  
 4 and

5 (2) the fulfillment by the People's Republic of  
 6 China of the obligations under the terms of the  
 7 Joint Declaration and the Basic Law constitutes a  
 8 crucial test of Beijing's ability to play a responsible  
 9 global role.

10 (c) DEFINITIONS.—In this section:

11 (1) BASIC LAW.—The term “Basic Law” means  
 12 the Basic Law of the Hong Kong Special Administrative  
 13 Region of the People's Republic of China, as  
 14 adopted on April 4, 1990, by the Seventh National  
 15 People's Congress of the People's Republic of China.

16 (2) JOINT DECLARATION.—The term “Joint  
 17 Declaration” means the Joint Declaration of the  
 18 Government of the United Kingdom of Great Britain  
 19 and Northern Ireland and the Government of the  
 20 People's Republic of China on the Question of Hong  
 21 Kong, done at Beijing on December 19, 1984.

1 **TITLE III—NATIONAL SECURITY**  
2 **MATTERS**

3 **SEC. 301. FINDINGS ON THE PROLIFERATION OF BALLISTIC**  
4 **MISSILES BY THE PEOPLE'S REPUBLIC OF**  
5 **CHINA.**

6 Congress makes the following findings regarding the  
7 proliferation of ballistic missiles by the People's Republic  
8 of China:

9 (1) In December 1992, the Government of the  
10 People's Republic of China violated the Arms Export  
11 Control Act and the Export Administration Act of  
12 1979 with the transfer by the Ministry of Aerospace  
13 Industry of approximately 24 M-11 missiles to  
14 Sargodha Air Force Base in Pakistan.

15 (2) From September 1994 to June 1996, the  
16 Government of the People's Republic of China again  
17 violated the Arms Export Control Act and the Ex-  
18 port Administration Act of 1979 with the transfer  
19 by the Ministry of Aerospace Industry of as many as  
20 30 M-11 ballistic missiles to Sargodha Air Force  
21 Base.

22 (3) In June 1995, the Government of the Peo-  
23 ple's Republic of China violated the Arms Export  
24 Control Act and the Export Administration Act of  
25 1979 with the transfer by the Chinese Aerospace

1 Corporation to Iran of possibly hundreds of missile  
2 guidance systems and computerized machine tools  
3 for the production of ballistic missiles.

4 (4) In August 1996, the Government of the  
5 People's Republic of China violated the Arms Export  
6 Control Act and the Export Administration Act of  
7 1979 with the transfer to Pakistan of factory plans  
8 and equipment capable of constructing a ballistic  
9 missile factory.

10 (5) In August 1996, the Government of the  
11 People's Republic of China violated the Arms Export  
12 Control Act, the Export Administration Act of 1979,  
13 and the Iran-Iraq Arms Non-Proliferation Act of  
14 1992 with the transfer by the China Precision Engi-  
15 neering Institute to Iran's Defense Industries of gy-  
16 roscopes, accelerometers, and test equipment for the  
17 construction and test of ballistic missile guidance  
18 systems.

19 (6) It has been reported that the Central Intel-  
20 ligence Agency discovered a shipment by the Peo-  
21 ple's Republic of China to the Syrian Scientific  
22 Studies and Research Center, a Syria Government  
23 agency that oversees missile development, of guid-  
24 ance equipment for M-11 ballistic missiles. This al-  
25 leged shipment would be a violation of the Missile

1 Technology Control Regime. This alleged shipment  
2 would have taken place after the limited sanctions  
3 imposed by the United States on the People's Re-  
4 public of China for shipments of M-11 missiles and  
5 components to Pakistan had been lifted following the  
6 assurances of the Government of the People's Re-  
7 public of China that it would comply with the Missile  
8 Technology Control Regime.

9 (7) After each of these violations, the President  
10 either failed to take appropriate actions to deter fu-  
11 ture violations of such Acts and the Regime, took  
12 the least onerous action against the Government of  
13 the People's Republic of China that was possible  
14 under such Acts and the Regime, or rescinded pre-  
15 vious actions thereby diluting or eliminating the de-  
16 terrent effect of sanctions under such Acts and the  
17 Regime with respect to the Government of the Peo-  
18 ple's Republic of China.

19 (8) This inaction forces Congress to take af-  
20 firmative action in the bilateral relations between the  
21 United States and the People's Republic of China in  
22 order to respond sufficiently to these violations of  
23 United States law.



1 **SEC. 302. FINDINGS ON THE PROLIFERATION OF WEAPONS**  
2 **OF MASS DESTRUCTION BY THE PEOPLE'S**  
3 **REPUBLIC OF CHINA.**

4 Congress makes the following findings regarding the  
5 proliferation of weapons of mass destruction by the Peo-  
6 ple's Republic of China:

7 (1) In January 1996, the Government of the  
8 People's Republic of China violated the Arms Export  
9 Control Act, the Nuclear Proliferation Prevention  
10 Act of 1994, and the Export-Import Bank Act of  
11 1945 with the transfer by the China Nuclear Energy  
12 Industry Corporation to the Abdul Qadeer Khan Re-  
13 search Laboratory in Kahuta, Pakistan, of as many  
14 as 5,000 ring-magnets for the extraction of enriched  
15 uranium for the potential use in nuclear weapons.

16 (2) In September 1996, the Government of the  
17 People's Republic of China violated the Arms Export  
18 Control Act, the Export Administration Act of 1979,  
19 and the Nuclear Proliferation Prevention Act of  
20 1994 with the transfer by the China Nuclear Energy  
21 Industry Corporation to a nuclear reactor facility in  
22 Khushab, Pakistan, of an industrial furnace and  
23 special diagnostic equipment capable of converting  
24 plutonium and uranium to weapons grade material.

25 (3) In March 1996, the Government of the Peo-  
26 ple's Republic of China violated the Arms Export

1 Control Act, the Export Administration Act of 1979,  
2 the Iran-Iraq Arms Non-Proliferation Act of 1992,  
3 and Executive Order 12938 with the transfer by the  
4 Jiangsu Corporation to Iran organizations affiliated  
5 with the Iranian Defense Industries Organization  
6 and the Revolutionary Guards of virtually complete  
7 chemical weapons production facilities.

8 (4) After each of these violations, the President  
9 either failed to take any action to deter future viola-  
10 tions of such Acts or took such trifling action as to  
11 have no meaning or effect on the future proliferation  
12 of weapons of mass destruction by the People's Re-  
13 public of China.

14 (5) This inaction forces Congress to take af-  
15 firmative action in the bilateral relations between the  
16 People's Republic of China and the United States in  
17 order to respond sufficiently to these violations of  
18 United States law.

19 **SEC. 303. FINDINGS ON THE PROLIFERATION OF DESTA-**  
20 **BILIZING ADVANCED CONVENTIONAL WEAP-**  
21 **ONS BY THE PEOPLE'S REPUBLIC OF CHINA.**

22 Congress makes the following findings regarding the  
23 proliferation of destabilizing advanced conventional weap-  
24 ons by the People's Republic of China:

1           (1) In January 1996, the Government of the  
2       People's Republic of China violated the Iran-Iraq  
3       Arms Non-Proliferation Act of 1992 with the trans-  
4       fer by the Chinese Precision Machinery Import-Ex-  
5       port Corporation to the Iran military of 60 C-802  
6       advanced anti-ship missiles and 20 Houdong fast-at-  
7       tack patrol craft, 15 of which were equipped with C-  
8       802 missiles.

9           (2) In test firings of this missile from land-  
10      based batteries and from naval vessels, and test  
11      firings of a similar missile from fighter aircraft, the  
12      Iran Government claimed direct hits on the intended  
13      targets. This operational ability restores an anti-sur-  
14      face warfare capability lost by the Iran military dur-  
15      ing the Iran-Iraq War.

16          (3) The Commander of the United States Fifth  
17      Fleet commented that these missiles represented a  
18      new dimension to the threat faced by the United  
19      States Navy, stating "[i]t used to be we just had to  
20      worry about land-based cruise missiles. Now [the  
21      Iranians] have the potential to have that throughout  
22      the [Persian] Gulf mounted on ships.'".

23          (4) It was reported in numerous press sources  
24      that the Department of Defense found these trans-  
25      fers destabilizing, and pressed for the imposition of

1 sanctions under the Iran-Iraq Arms Non-Prolifera-  
2 tion Act of 1992 but that the Department of State  
3 did not wish to impose such sanctions for fear of  
4 damaging bilateral relations between the People's  
5 Republic of China and the United States.

6 (5) The Iran-Iraq Arms Non-Proliferation Act  
7 of 1992 does not differentiate between transfers of  
8 destabilizing weapons that will and will not damage  
9 bilateral relations. Any determination of whether to  
10 impose sanctions on the People's Republic of China  
11 for this transfer should have been made strictly on  
12 the basis whether this transfer was or was not desta-  
13 bilizing.

14 (6) In light of these reports, it is likely that  
15 sanctions would have been imposed if the Clinton  
16 Administration had been more concerned with the  
17 stability of the region and the security of United  
18 States troops than with the maintenance of cordial  
19 relations between the People's Republic of China and  
20 the United States.

21 (7) This inaction forces Congress to take af-  
22 firmative action in the bilateral relations between the  
23 People's Republic of China and the United States in  
24 order to respond sufficiently to this violation of  
25 United States law.

1 **SEC. 304. FINDINGS ON THE EVASION OF UNITED STATES**  
2 **EXPORT CONTROL LAWS BY THE PEOPLE'S**  
3 **REPUBLIC OF CHINA.**

4 Congress makes the following findings regarding the  
5 evasion of United States export control laws by the Peo-  
6 ple's Republic of China:

7 (1) On November 14, 1994, the President is-  
8 sued Executive Order 12938, relating to the emer-  
9 gency regarding weapons of mass destruction, de-  
10 claring that the proliferation of weapons of mass de-  
11 struction and the means of delivering them con-  
12 stitute “an unusual and extraordinary threat to the  
13 national security, foreign policy, and economy of the  
14 United States” and that he had therefore decided to  
15 “declare a national emergency to deal with that  
16 threat”.

17 (2) The President reaffirmed Executive Order  
18 12938 on November 15, 1995, and again on Novem-  
19 ber 11, 1996.

20 (3) The Director of Central Intelligence stated  
21 in the report entitled “The Acquisition of Tech-  
22 nology Relating to Weapons of Mass Destruction  
23 and Advanced Conventional Munitions” that, from  
24 July to December 1996, “China was the most sig-  
25 nificant supplier of W[eapons of] M[ass]

1 D[estruction]-related goods and technology to for-  
2 eign countries.”.

3 (4) United States supercomputers are the com-  
4 puter of choice for the nuclear weapons agencies of  
5 the People’s Republic of China as highlighted by the  
6 comments of the Chinese Academy of Sciences, an  
7 agency known to work on nuclear weapons develop-  
8 ment, that its United States-built supercomputer  
9 provides the Academy with “computational power  
10 previously unknown” and is available to “all the  
11 major scientific and technological institutes across  
12 China”.

13 (5) The People’s Republic of China has consist-  
14 ently provided technical and scientific assistance for  
15 the development of nuclear weapons to both Iran  
16 and Pakistan, and it is illogical to believe that such  
17 assistance would not also include computational as-  
18 sistance if needed.

19 (6) According to the Under Secretary of Com-  
20 merce for Export Administration, 47 United States  
21 high-performance supercomputers were exported to  
22 the People’s Republic of China between January  
23 1996 and March 1997. Press reports indicate Unit-  
24 ed States intelligence sources consider the actual  
25 number of such supercomputers exported to the Peo-

1        ple's Republic of China during that period to have  
2        been in the hundreds.

3            (7) Current United States export regulations  
4        require an export license for shipments of super-  
5        computers to the People's Republic of China only if  
6        the end-use will be militarily related. However, the  
7        determination of that end-use is left to the exporter,  
8        thereby providing an incentive for inadequate inves-  
9        tigation of the end-use of supercomputers exported  
10       to the People's Republic of China.

11           (8) The Department of Commerce has initiated  
12        investigations of United States supercomputer man-  
13        ufacturers who, as last as June 1996, allegedly sold  
14        supercomputers to the Chinese Academy of Sciences,  
15        which also administers research in nuclear weapons  
16        and missiles, in violation of existing United States  
17        export control regulations relating to supercomput-  
18        ers.

19           (9) On 14 July 1997, the "China Daily", the  
20        newspaper of the Government of the People's Repub-  
21        lic of China, stated that "China will open up its de-  
22        fense sector to foreign investors" by "strengthening  
23        international military-related electronic technology  
24        exchanges" and that "China's defense-related elec-

1       tronics should no longer be hidden from foreign in-  
2       vestors”.

3           (10) It was exactly this concern of diversion to  
4       military end-use and to third nation proliferators  
5       that prompted the President, on June 16, 1997, to  
6       tighten export controls for supercomputers so as to  
7       address the concern of “[t]he potential diversion to  
8       military use of technology acquired” through experi-  
9       ence developed in operating supercomputers and cus-  
10      tomizing software and the concern that “the Peo-  
11      ple’s Republic of China may transfer advanced-weap-  
12      ons related technology to other countries, as in the  
13      case of ballistic missile transfers”.

14          (11) Throughout this period, the President has  
15      consistently acted in a manner so as to loosen con-  
16      trols on the export of supercomputers from the Unit-  
17      ed States and thereby make it easier for the Govern-  
18      ment of the People’s Republic of China to divert  
19      United States supercomputers to military end-uses  
20      and to assist in the proliferation of weapons of mass  
21      destruction.

22          (12) This inaction forces Congress to take af-  
23      firmative action in the bilateral relations between the  
24      People’s Republic of China and the United States in



1       order to respond sufficiently to these violations of  
2       United States law.

3   **SEC. 305. FINDINGS ON THE INCONSISTENT APPLICATION**  
4                   **OF UNITED STATES EXPORT CONTROL LAWS**  
5                   **TO THE PEOPLE'S REPUBLIC OF CHINA AND**  
6                   **HONG KONG.**

7       Congress makes the following findings regarding the  
8       inconsistent application of United States export control  
9       laws to the People's Republic of China and Hong Kong:

10           (1) While Hong Kong was sovereign territory of  
11       the United Kingdom, United States control of United  
12       States exports to Hong Kong of items listed on  
13       the United States Munitions List and the Commerce  
14       Control List was considerably more lax than United  
15       States control of exports of such items to the People's  
16       Republic of China.

17           (2) On June 19, 1997, at a time when Hong  
18       Kong was still territory of the United Kingdom, the  
19       Department of Commerce discovered that a super-  
20       computer exported to a Hong Kong based company  
21       without the need of an export license because it was  
22       being exported to Hong Kong was reexported to a  
23       defense research institute in Changsha, People's Re-  
24       public of China.

1           (3) A Federal grand jury is currently inves-  
2           tigating the 1995 diversion by the Government of  
3           the People's Republic of China to military aviation  
4           production of aircraft machining equipment that was  
5           originally exported from the United States for civil-  
6           ian end-use.

7           (4) The People's Republic of China is the only  
8           country which does not allow United States officials  
9           to investigate the final end-use of exported tech-  
10          nology and recently refused United States requests  
11          to examine the location of the supercomputer di-  
12          verted from Hong Kong.

13          (5) The continuation of this inconsistent export  
14          control regime without specific assurances and ver-  
15          ification measures to prevent unauthorized reexport  
16          from Hong Kong, or diversion to military end-use,  
17          provides the Government of the People's Republic of  
18          China with the means to circumvent United States  
19          export controls and gain access to critical technology  
20          necessary both for defense modernization and the  
21          proliferation of ballistic missiles and weapons of  
22          mass destruction.

23          (6) This inaction forces Congress to take af-  
24          firmative action in the bilateral relations between the  
25          People's Republic of China and the United States in

1       order to respond sufficiently to these violations of  
2       United States law.

3   **SEC. 306. EXPORTS OF SUPERCOMPUTERS TO THE PEO-**  
4                   **PLE'S REPUBLIC OF CHINA.**

5       (a) PRIOR APPROVAL OF EXPORTS AND REEX-  
6   PORTS.—The President shall require that no covered com-  
7   puter may be exported or reexported to the People's Re-  
8   public of China without the prior written approval of each  
9   of the designated officials.

10      (b) EXPORT OR REEXPORT WITHOUT UNANIMOUS  
11   APPROVAL.—If any one of the designated officials does  
12   not approve of the export or reexport of a covered com-  
13   puter to the People's Republic of China, the computer may  
14   be exported or reexported to the People's Republic of  
15   China only pursuant to a license issued by the Secretary  
16   of Commerce under the export administration regulations  
17   of the Department of Commerce, and without regard to  
18   the licensing exceptions otherwise authorized under sec-  
19   tion 740.7 of title 15, Code of Federal Regulations, as in  
20   effect on June 10, 1997.

21      (c) DEADLINE FOR RESPONSE TO APPLICATION.—  
22   Each designated official shall approve or disapprove in  
23   writing of the export or reexport of a covered computer  
24   to the People's Republic of China not later than 10 days

1 after receipt by the United States of the application for  
 2 the export or reexport of the computer.

3 (d) DEFINITIONS.—In this section:

4 (1) COVERED COMPUTERS.—The term “covered  
 5 computers” means the digital computers listed as  
 6 “eligible computers” in section 740.7(d)(2) of title  
 7 15, Code of Federal Regulations, as in effect on  
 8 June 10, 1997.

9 (2) DESIGNATED OFFICIALS.—The term “des-  
 10 ignated officials” means the following:

11 (1) The Secretary of Commerce.

12 (2) The Secretary of Defense.

13 (3) The Secretary of Energy.

14 (4) The Secretary of State.

15 (5) The Director of the Arms Control and Dis-  
 16 armament Agency.

17 **SEC. 307. DUAL-USE EXPORTS TO HONG KONG.**

18 (a) IN GENERAL.—Notwithstanding any other provi-  
 19 sion of law, the provisions of this section shall apply with  
 20 respect to exports of covered items to Hong Kong.

21 (b) PRE-LICENSE VERIFICATIONS.—The Secretary of  
 22 State and the Secretary of Commerce shall not approve  
 23 an export license application for the export of a covered  
 24 item to Hong Kong if United States officials are denied  
 25 an opportunity to conduct a pre-license verification with

1 respect to the end-use of such covered item and the recipi-  
2 ent of such item.

3 (c) POST-SHIPMENT VERIFICATION.—If United  
4 States officials are denied the ability to a conduct post-  
5 shipment verification of the location, recipient, and end  
6 use of a covered item that has been exported to Hong  
7 Kong from the United States pursuant to an export li-  
8 cense granted by the Secretary of State and the Secretary  
9 of Commerce, thereafter any application to export a cov-  
10 ered item to Hong Kong shall be treated in the same man-  
11 ner as a request to export such item to the People's Re-  
12 public of China.

13 (d) DIVERSION OF COVERED ITEMS.—If the Presi-  
14 dent, or any other official of the United States, obtains  
15 credible evidence that a covered item exported from the  
16 United States to Hong Kong on or after July 1, 1997,  
17 has been diverted—

18 (1) to the People's Republic of China;

19 (2) to an end use not authorized under the ex-  
20 port control laws or regulations of the United  
21 States, or

22 (3) to a recipient, other than the recipient spec-  
23 ified in the export license application,

24 any application to export a covered item to Hong Kong  
25 that is pending or filed after the date on which such evi-

1 dence is obtained shall be treated in the same manner as  
 2 a request to export such item to the People’s Republic of  
 3 China.

4 (e) COVERED ITEM DEFINED.—In this section, the  
 5 term “covered item” means the following:

6 (1) Any item on the United States Munitions  
 7 List.

8 (2) Any item on the Commerce Control List of  
 9 the Department of Commerce.

10 **SEC. 308. ENFORCEMENT OF IRAN-IRAQ ARMS NON-PRO-**  
 11 **LIFERATION ACT WITH RESPECT TO THE**  
 12 **PEOPLE’S REPUBLIC OF CHINA.**

13 (a) STATEMENT OF POLICY.—It shall be the policy  
 14 of the United States that—

15 (1) the delivery of 60 C-802 cruise missiles by  
 16 the China National Precision Machinery Import Ex-  
 17 port Corporation to Iran poses a new, direct threat  
 18 to deployed United States forces in the Middle East  
 19 and materially contributed to the efforts of Iran to  
 20 acquire destabilizing numbers and types of advanced  
 21 conventional weapons; and

22 (2) the delivery is a violation of the Iran-Iraq  
 23 Arms Non-Proliferation Act of 1992 (50 U.S.C.  
 24 1701 note).

25 (b) IMPLEMENTATION OF SANCTIONS.—

1           (1) REQUIREMENT.—The President shall im-  
2       pose on the People’s Republic of China the manda-  
3       tory sanctions set forth in paragraphs (3), (4), and  
4       (5) of section 1605(b) of the Iran-Iraq Arms Non-  
5       Proliferation Act of 1992.

6           (2) NONAVAILABILITY OF WAIVER.—For pur-  
7       poses of this section, the President shall not have  
8       the authority contained in section 1606 of the Iran-  
9       Iraq Arms Non-Proliferation Act of 1992 to waive  
10      the sanctions required under paragraph (1).

11 **SEC. 309. TRANSFERS OF SENSITIVE EQUIPMENT AND**  
12 **TECHNOLOGY BY THE PEOPLE’S REPUBLIC**  
13 **OF CHINA.**

14      (a) FINDINGS.—Congress makes the following find-  
15      ings:

16           (1) Credible allegations exist that the People’s  
17      Republic of China has transferred equipment and  
18      technology as follows:

19           (A) Gyroscopes, accelerometers, and test  
20      equipment for missiles to Iran.

21           (B) Chemical weapons equipment and  
22      technology to Iran.

23           (C) Missile guidance systems and comput-  
24      erized machine tools to Iran.

1 (D) Industrial furnace equipment and high  
2 technology diagnostic equipment to a nuclear  
3 facility in Pakistan.

4 (E) Blueprints and equipment to manufac-  
5 ture M-11 missiles to Pakistan.

6 (F) M-11 missiles and components to  
7 Pakistan.

8 (2) The Department of State has failed to de-  
9 termine whether most such transfers violate provi-  
10 sions of relevant United States laws and Executive  
11 orders relating to the proliferation of sensitive equip-  
12 ment and technology, including the Arms Export  
13 Control Act, the Nuclear Proliferation Prevention  
14 Act of 1994, the Export Administration Act of  
15 1979, and the Export-Import Bank Act of 1945,  
16 and Executive Order 12938.

17 (3) Where the Department of State has made  
18 such determinations, it has imposed the least oner-  
19 ous form of sanction, which significantly weakens  
20 the intended deterrent effect of the sanctions pro-  
21 vided for in such laws.

22 (b) SENSE OF CONGRESS.—It is the sense of Con-  
23 gress that—

24 (1) the transfers of equipment and technology  
25 by the People's Republic of China described in sub-



1 section (a)(1) pose a threat to the national security  
2 interests of the United States;

3 (2) the failure of the Clinton Administration to  
4 initiate a formal process to determine whether to im-  
5 pose sanctions for such transfers under the provi-  
6 sions of law referred to in subsection (a)(2) contrib-  
7 utes to the threat posed to the national security in-  
8 terests of the United States by the proliferation of  
9 such equipment and technology; and

10 (3) the President should immediately initiate  
11 the procedures necessary to determine whether sanc-  
12 tions should be imposed under such provisions of law  
13 for such transfers.

14 (c) REPORT.—

15 (1) REQUIREMENT.—Not later than 60 days  
16 after the date of enactment of this Act, the Presi-  
17 dent shall submit to Congress a report setting  
18 forth—

19 (A) the date, if any, of the commencement  
20 and of the conclusion of each formal process  
21 conducted by the Department of State to deter-  
22 mine whether to impose sanctions under the  
23 provisions of law referred to in subsection  
24 (a)(2) for each transfer described in subsection  
25 (a)(1);

(B) the facts providing the basis for each determination not to impose sanctions under such provisions of law on the Government of the People's Republic of China, or entities within or having a relationship with that government, for each transfer, and the legal analysis supporting such determination; and

(C) a schedule for initiating a formal process described in paragraph (1) for each transfer not yet addressed by such formal process and an explanation for the failure to commence such formal process with respect to such transfer before the date of the report.

(2) FORM.—The report shall be submitted in unclassified form, but may include a classified annex.

**SEC. 310. ANNUAL REPORTS ON ACTIVITIES OF THE PEOPLE'S LIBERATION ARMY.**

(a) ENTITIES OWNED BY PLA.—Not later than January 31 each year, the Secretary of State shall publish in the Federal Register a list of each corporation or other business entity that was owned in whole or in part by the People's Liberation Army of the People's Republic of China as of December 31 of the preceding year.

(b) REPORT ON PRC MILITARY MODERNIZATION.—

1 (1) REQUIREMENT.—

2 (A) IN GENERAL.—Not later than March  
3 31 each year, the Secretary of Defense, in con-  
4 sultation with the Secretary of State, shall sub-  
5 mit to Congress a report on the military mod-  
6 ernization activities of the People’s Liberation  
7 Army.

8 (B) SUBMITTAL.—The Secretary of De-  
9 fense shall submit each report to the following:

10 (i) The Majority leader and Minority  
11 leader of the Senate.

12 (ii) The chairmen and ranking mem-  
13 bers of the Committee on Foreign Rela-  
14 tions and the Committee on Armed Serv-  
15 ices of the Senate.

16 (iii) The Speaker and Minority leader  
17 of the House of Representatives.

18 (iv) The chairmen and ranking mem-  
19 bers of the Committee on International Re-  
20 lations and the Committee on National Se-  
21 curity of the House of Representatives.

22 (C) FORM.—The report shall be submitted  
23 in unclassified form, but may include a classi-  
24 fied annex.

25 (2) CONTENTS OF REPORT.—

1 (A) CONTENTS.—Each report under para-  
2 graph (1) shall include the following:

3 (i) A description of developments  
4 within the People's Liberation Army, in-  
5 cluding the implications of the develop-  
6 ments for United States policy toward the  
7 People's Republic of China.

8 (ii) A description of the scope and  
9 pace of modernization by the People's Lib-  
10 eration Army.

11 (iii) To the maximum extent prac-  
12 ticable, an analysis of the intent of such  
13 modernization programs.

14 (B) RELATIONSHIP TO ANNUAL HUMAN  
15 RIGHTS REPORT.—The report shall complement  
16 and not replace applicable sections of the an-  
17 nual report on human rights in China by the  
18 Department of State.

19 (c) PROTECTION OF SOURCES AND METHODS.—In  
20 publishing a list under subsection (a) and preparing a re-  
21 port under subsection (b), the Secretary of Defense shall  
22 take appropriate actions to ensure the protection of  
23 sources and methods of gathering intelligence.

1 **SEC. 311. ANNUAL REPORTS ON INTELLIGENCE ACTIVITIES**  
2 **OF THE PEOPLE'S REPUBLIC OF CHINA.**

3 (a) REPORTS.—

4 (1) IN GENERAL.—Not later than March 31  
5 each year, the Director of Central Intelligence and  
6 the Director of the Federal Bureau of Investigation,  
7 jointly and in consultation with the heads of other  
8 appropriate Federal agencies (including the Depart-  
9 ments of Defense, Justice, Treasury, and State),  
10 shall submit to the Members of Congress referred to  
11 in paragraph (2) a report on the intelligence activi-  
12 ties of the People's Republic of China directed  
13 against or affecting the interests of the United  
14 States.

15 (2) SUBMITTAL.—Each report under paragraph  
16 (1) shall be submitted to the following:

17 (A) The Majority leader and Minority lead-  
18 er of the Senate.

19 (B) The chairman and ranking member of  
20 the Select Committee on Intelligence of the  
21 Senate.

22 (C) The Speaker and Minority leader of  
23 the House of Representatives.

24 (D) The chairman and ranking member of  
25 the Permanent Select Committee on Intelligence  
26 of the House of Representatives.

1           (3) FORM.—Each report shall be submitted in  
 2           unclassified form, but may include a classified  
 3           annex.

4           (b) CONTENTS OF REPORTS.—Each report under  
 5           subsection (a) shall include information concerning the fol-  
 6           lowing:

7           (1) Political and military espionage.

8           (2) Intelligence activities designed to gain polit-  
 9           ical influence, including activities undertaken or co-  
 10          ordinated by the United Front Work Department of  
 11          the Chinese Communist Party.

12          (3) Efforts to gain direct or indirect influence  
 13          through commercial or noncommercial  
 14          intermediaries subject to control by the People's Re-  
 15          public of China, including enterprises controlled by  
 16          the People's Liberation Army.

17          (4) Disinformation and press manipulation by  
 18          the People's Republic of China with respect to the  
 19          United States, including activities undertaken or co-  
 20          ordinated by the United Front Work Department of  
 21          the Chinese Communist Party.

22   **SEC. 312. STUDY OF THEATER BALLISTIC MISSILE DEFENSE**  
 23                           **SYSTEM FOR TAIWAN.**

24          (a) STUDY.—The Secretary of Defense shall carry  
 25          out, with appropriate representatives of the Government

1 of Taiwan, a study of the architecture requirements for  
2 the establishment and operation of a theater ballistic mis-  
3 sile defense system for Taiwan, including the Penghu Is-  
4 lands, Kinmen, and Matsu. The study shall include the  
5 following:

6 (1) An assessment of missile threats to Taiwan.

7 (2) Identification of the requirements of Taiwan  
8 for deployment of an effective theater ballistic mis-  
9 sile defense system.

10 (3) Identification of existing theater ballistic  
11 missile defense systems or existing technology for  
12 such systems, that the United States could sell to  
13 Taiwan to assist in meeting the requirements identi-  
14 fied under paragraph (2).

15 (4) Systems or technologies the United States  
16 is developing that could address the missile threats  
17 to Taiwan's security.

18 (5) Identification of potential joint cooperative  
19 efforts by the United States and Taiwan to develop  
20 theater ballistic missile defense systems.

21 (b) SUBMITTAL TO CONGRESS.—

22 (1) SUBMITTAL.—Not later than July 1, 1998,  
23 the Secretary of Defense shall submit to the Com-  
24 mittee on Armed Services and the Committee on Ap-  
25 propriations of the Senate and the Committee on

1 National Security and the Committee on Appropria-  
 2 tions of the House of Representatives a report on  
 3 the study conducted under subsection (a).

4 (2) FORM.—The report shall be submitted in  
 5 unclassified form, but may include a classified  
 6 annex.

7 **SEC. 313. SENSE OF CONGRESS REGARDING UNITED**  
 8 **STATES FORCE LEVELS IN ASIA.**

9 It is the sense of Congress that—

10 (1) the current force levels in the Pacific Com-  
 11 mand Theater of Operations are necessary to the  
 12 fulfillment of the military mission of that command  
 13 and are vital to continued peace and stability in the  
 14 region covered by that command;

15 (2) any reductions in such force levels should  
 16 only be done in close consultation with Congress and  
 17 with a clear understanding of their impact upon the  
 18 capacity of the United States to fulfill its current  
 19 treaty obligations with other states in the region as  
 20 well as to the continued ability of the United States  
 21 to deter potential aggression in the region; and

22 (3) the annual report on the national security  
 23 strategy of the United States required by section  
 24 108 of the National Security Act of 1947 (50 U.S.C.  
 25 404a) should include specific information on the



1       adequacy of the capabilities of the United States  
2       Armed Forces to support the implementation of the  
3       national security strategy of the United States as it  
4       relates to the People's Republic of China.

5   **SEC. 314. SENSE OF CONGRESS REGARDING ESTABLISH-**  
6                   **MENT OF COMMISSION ON SECURITY AND**  
7                   **COOPERATION IN ASIA.**

8       It is the sense of Congress that the President and  
9       the Secretary of State should initiate negotiations with the  
10      Government of the People's Republic of China and the  
11      governments of other countries in Asia to establish a com-  
12      mission on matters relating to security and cooperation  
13      in Asia that would be modeled after the Commission on  
14      Security and Cooperation in Europe.

15                   **TITLE IV—TRADE**

16   **SEC. 401. SENSE OF CONGRESS REGARDING THE ACCES-**  
17                   **SION OF TAIWAN TO THE WORLD TRADE OR-**  
18                   **GANIZATION.**

19      It is the sense of Congress that Taiwan should be  
20      admitted to the World Trade Organization as a separate  
21      customs territory when Taiwan meets the established cri-  
22      teria of the Organization for membership on that basis.

1 **TITLE V—HUMAN RIGHTS AND**  
 2 **RELIGIOUS FREEDOM**  
 3 **WORLDWIDE**

4 **SEC. 501. TRAINING FOR IMMIGRATION OFFICERS REGARD-**  
 5 **ING RELIGIOUS PERSECUTION.**

6 Section 235 of the Immigration and Nationality Act  
 7 (8 U.S.C. 1225) is amended by adding at the end the fol-  
 8 lowing:

9 “(e) TRAINING ON RELIGIOUS PERSECUTION.—The  
 10 Attorney General shall establish and operate a program  
 11 to provide to immigration officers performing functions  
 12 under subsection (b), or section 207 or 208, training on  
 13 religious persecution, including training on—

14 “(1) the fundamental components of the right  
 15 to freedom of religion;

16 “(2) the variation in beliefs of religious groups;  
 17 and

18 “(3) the governmental and nongovernmental  
 19 methods used in violation of the right to freedom of  
 20 religion.”.

21 **SEC. 502. PROMOTION OF RELIGIOUS FREEDOM AND**  
 22 **HUMAN RIGHTS WORLDWIDE.**

23 (a) REPORTS ON RELIGIOUS PERSECUTION.—

24 (1) REPORTS.—Not later than March 30, 1998,  
 25 and annually thereafter, the Secretary of State shall

1 submit to the Committee on Foreign Relations of  
 2 the Senate and the Committee on International Re-  
 3 lations of the House of Representatives a report on  
 4 religious persecution worldwide.

5 (2) CONTENTS.—Each report shall include a  
 6 list of the government officials of any country world-  
 7 wide who have been materially involved in the com-  
 8 mission of acts of persecution that are motivated by  
 9 a person's religion.

10 (b) PRISONER INFORMATION REGISTRY.—

11 (1) ESTABLISHMENT.—The Secretary of State  
 12 shall establish and maintain a registry to be known  
 13 as the Prisoner Information Registry.

14 (2) CONTENTS.—The registry shall be a reposi-  
 15 tory of information on matters relating to the penal  
 16 systems of the various countries and of individuals  
 17 in such systems, including—

18 (A) the charges brought against the indi-  
 19 viduals in such systems;

20 (B) the judicial or administrative processes  
 21 to which such individuals were subject;

22 (C) the length of imprisonment of such in-  
 23 dividuals in such systems;

24 (D) the use (if any) of forced labor in such  
 25 systems;

1 (E) the incidences (if any) of torture in  
 2 such systems;

3 (F) the physical and health conditions in  
 4 such systems; and

5 (G) such other matters as the Secretary  
 6 considers appropriate.

7 (3) ALLOCATION OF RESOURCES.—The Sec-  
 8 retary may make funds available to non-govern-  
 9 mental organizations currently engaged in monitor-  
 10 ing penal systems worldwide or individuals in such  
 11 systems in order to assist in the establishment and  
 12 maintenance of the registry.

## 13 **TITLE VI—OTHER MATTERS**

### 14 **SEC. 601. TERMINATION OF UNITED STATES ASSISTANCE** 15 **FOR EAST-WEST CENTER.**

16 (a) REPEAL OF AUTHORIZATION OF ASSISTANCE.—  
 17 The Center for Cultural and Technical Interchange Be-  
 18 tween East and West Act of 1960 (chapter VII of Public  
 19 Law 86–472; 22 U.S.C. 2054 et seq.) is repealed.

20 (b) PROHIBITION ON USE OF FUNDS FOR CENTER.—  
 21 Notwithstanding any other law, no funds appropriated or  
 22 otherwise made available to the Director of the United  
 23 States Information Agency for any fiscal year after fiscal  
 24 year 1997 may be used for any purposes (including grants  
 25 and payments and expenses of operation) relating to the

- 1 Center for Cultural and Technical Interchange Between
- 2 East and West.

